

April 7, 2009

SPRINGFIELD, PA—On April 7, 2009, Congressman Joe Sestak (PA-07) spoke at a dinner hosted by the Delaware County Chapter of the Pennsylvania Credit Union Association at the Springfield Country Club. Congressman Sestak discussed his support for credit unions and their role in helping the economic recovery of the District and the nation. Credit unions are nonprofit financial cooperatives that pool the financial resources of the membership in order to provide affordable services to their members.

“Credit unions play an important financial role in our community, especially for our small business,” said Congressman Sestak. “As Vice Chairman of the Small Business Committee, I recognize that small businesses are responsible for the vast majority of job creation in this country and it is particularly important to assist them in getting the resources they need in these challenging economic times.”

Congressman Sestak’s Support for Legislation Benefiting Credit Unions

Co-sponsored H.R. 1537, the Credit Union Regulatory Improvements Act of 2007

The Credit Union Regulatory Improvements Act of 2007 (H.R. 1537) consists of three titles that (1) modernize credit union capital and net worth standards, (2) advance credit union efforts to promote economic growth, and (3) make needed modifications to credit union activities, governance, and oversight.

Voted in favor of H.R. 6312, the Credit Union, Bank and Thrift Regulatory Relief Act of 2008.

-For Credit Unions, this legislation increases the current limit on credit union investments in private, investment-grade securities to 10%. It also brings the current limit that may be spent on credit union service organizations from 1% to 3% of shares and earnings. To help developing communities and families in need of special assistance, the bill permits all credit unions to expand services to communities that suffer from low-incomes, high unemployment and other similar criteria.

-In the interest of credit union customers, the legislation also permits credit unions to provide check cashing and wire transfers to all members; allows credit unions to make short-term unsecured loans as an alternative to payday loans to residents of the community who are not members; removes a number of loan limits to nonprofit religious organizations; and, expands

elements of the Gramm-Leachy-Bliley Act, which allows federal banking agencies and the National Credit Union Association to share data with federal and state agencies that have oversight over financial institutions.

-To expand the services of Savings and Loan Associations, HR 6312 allows thrifts to invest in one or more small businesses, so long as it does not exceed 5% of its capital. It also removes current limits, which restrict a thrift from investing more than 35% of its assets in automobile loans and increases the limit that may be invested in real estate loans from 400% to 500% of a thrifts capital.

The Pennsylvania Credit Union Association is the trade association for Pennsylvania's credit unions created in 1934 as a non-profit, tax-exempt organization. The Association is owned by its member credit unions and is governed by a nine-member Board of Directors, elected by, and from, affiliated credit unions in nine Districts. Nearly 90 percent of Pennsylvania's credit unions are members of the Association.

The mission of the Pennsylvania Credit Union Association is to provide leadership to promote credit unions and their philosophy: "We are committed to serving credit unions through quality products and services to meet the financial needs of their members; to maintaining a dynamic organization that fosters employee growth and mutual respect; and to exercising prudence and the highest ethical standards."

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.*

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